



**FEDERAL ELECTION COMMISSION**  
Washington, DC 20463

December 20, 2011

**VIA ELECTRONIC MAIL  
AND CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

Melanie Sloan  
Citizens for Responsibility and Ethics in Washington  
1400 Eye Street, NW #450  
Washington, D.C. 20005

RE: MUR 6054  
Vernon Buchanan et al.

Dear Ms. Sloan:

This is in reference to the complaint that Citizens for Responsibility and Ethics in Washington, Carlo A. Bell, and David J. Padilla filed with the Federal Election Commission on August 19, 2008, which was designated as Matter Under Review 6054. After conducting an investigation, the Commission found that there was probable cause to believe that 1099 L.C. d/b/a Venice Nissan violated 2 U.S.C. §§ 441f and 441a(a) and that Donald M. Caldwell violated 2 U.S.C. § 441f. On August 24, 2010, the Federal Election Commission accepted a signed conciliation agreement signed by these respondents. A copy of that conciliation agreement is enclosed. The Commission also took the following actions regarding MUR 6054, including actions related to the counts in your complaint:

- The Commission found that there was reason to believe that Brad S. Combs violated 2 U.S.C. § 441f. After the investigation, upon consideration of the circumstances in this matter, the Commission determined to take no further action and closed the file as to him. See enclosed MUR 6054 General Counsel's Report #6.
- The Commission found that there was reason to believe that Vernon G. Buchanan and Vern Buchanan for Congress and its treasurer violated 2 U.S.C. §§ 441f and 441a(f). After the investigation, upon consideration of the circumstances in this matter, the Commission determined to take no further action as to these respondents and closed the file as to them. See enclosed MUR 6054 General Counsel's Report #9.
- The Commission took no action as to Marvin White, William F. Mullins, Jason A. Martin, Jack Prater, and your client, Carlo Bell. After the investigation, upon

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consideration of the circumstances in this matter, the Commission closed the file as to them. See enclosed MUR 6054 General Counsel's Report #6.

- The Commission found reason to believe that 10-2002 LLC f/k/a Suncoast Ford violated 2 U.S.C. §§ 441f and 441a(a) and that Gary J. Scarbrough violated 2 U.S.C. § 441f. On December 16, 2011, conciliation agreements signed by these respondents were accepted by the Commission. Copies of the conciliation agreements are enclosed.
- The Commission found that there was probable cause to believe that 11-2001 LLC d/b/a Hyundai of North Jacksonville violated 2 U.S.C. §§ 441f and 441a(a) and Sam Kazran violated 2 U.S.C. § 441f. The Commission was unable to settle the matter through a conciliation agreement and, therefore, authorized the filing of a civil suit in United States District Court. See *Federal Election Commission v. SAM KAZRAN, also known as Sam Khazrawan*, Case No. 3:10-cv-1155-J-37JRK (M.D. Fla.).

Documents related to the case will be placed on the public record within 30 days. See Statement of Policy Regarding Disclosure of Closed Enforcement and Related Files, 68 Fed. Reg. 70,426 (Dec. 18, 2003) and Statement of Policy Regarding Placing First General Counsel's Reports on the Public Record, 74 Fed. Reg. 66132 (Dec. 14, 2009).

If you have any questions, please contact me at (202) 694-1341.

Sincerely,



Michael A. Columbo  
Attorney

**Enclosures**

1099 L.C. d/b/a Venice Nissan and Donald Caldwell Conciliation Agreement  
MUR 6054 General Counsel's Report #6  
MUR 6054 General Counsel's Report #9  
10-2002 LLC f/k/a Suncoast Ford Conciliation Agreement  
Gary J. Scarbrough Conciliation Agreement

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1 **BEFORE THE FEDERAL ELECTION COMMISSION**

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MUR 6054

2 In the Matter of )

3 )  
4 1099 L C d/b/a Venice Nissan )

5 Donald M Caldwell )

6 Brad S Combs )

7 Carlo A Bell )

8 Jason A Martin )

9 William F Mullins )

10 Jack Prater )

11 Marvin L White )  
12 )

13 **GENERAL COUNSEL'S REPORT #6**

14 **I. ACTIONS RECOMMENDED**

15 (1) Accept the attached conciliation agreement and close the file as to 1099 L C d/b/a  
16 Venice Nissan ("VN") and Donald M Caldwell, (2) take no further action and close the file as to  
17 Brad S Combs, and (3) close the file as to Carlo A Bell, Jason A Martin, William F Mullins,  
18 Jack Prater, and Marvin L White

19 **II. DISCUSSION**

20 **A. VN and Donald M. Caldwell**

21  
22 On June 29, 2010, the Commission found probable cause to believe that VN and  
23 Caldwell (collectively, "Respondents") violated 2 U S C § 441f and that VN violated 2 U S C  
24 § 441a(a), in connection with making excessive contributions in the name of another to Vern  
25 Buchanan for Congress ("VBFC") The Commission also approved a conciliation agreement for  
26 Respondents,  
27  
28  
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1           We recommend that the Commission accept the attached ;           conciliation  
2 agreement

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They also agree to pay

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\$11,000 civil penalty .

; to

10 refrain from future violations, and to request that VBFC disgorge the reimbursed contributions to  
11 the U S Treasury

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: Accordingly, we recommend that the Commission accept the attached conciliation

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agreement and close the file as to 1099 L C d/b/a Venice Nissan and Donald M Caldwell

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1           **B.     Brad S. Combs**

2           On June 23, 2009, the Commission found reason to believe that Brad S Combs, a finance  
3 manager at VN, violated 2 U S C § 441f based on the available information suggesting that he  
4 may have assisted VN in making contributions in the names of VN employees See MUR 6054  
5 FGCR at 10-15 The investigation in this matter, including an interview of Combs, did not  
6 reveal evidence that Combs participated in the reimbursement of any contributions  
7 Accordingly, we recommend that the Commission take no further action and close the file as to  
8 Brad S Combs

9           **C.     Carlo A. Bell, Jason A. Martin, William F. Mullins, Jack Prater,**  
10                   **and Marvin L. White**

11  
12           Respondents Carlo A Bell, Jason A Martin, William F Mullins, Jack Prater, and Marvin  
13 L White were Donald Caldwell's subordinate managers at VN whose contributions to VBFC  
14 were reimbursed by VN The Commission determined on June 23, 2009, to take no action at that  
15 time with respect to these respondents because the available information did not suggest that any  
16 of them played an active role in the alleged reimbursements See MUR 6054 FGCR at 15-16  
17 The investigation in this matter, including interviews of Bell and depositions of Martin, Mullins,  
18 Prater and White, did not reveal evidence that they played any greater role in organizing or  
19 executing the reimbursements Accordingly, we recommend that the Commission close the file  
20 as to Carlo A Bell, Jason A Martin, William F Mullins, Jack Prater, and Marvin L White

21   **III.   RECOMMENDATIONS**

- 22           1   Accept the attached conciliation agreement and close the file as to 1099 L C d/b/a  
23                   Venice Nissan and Donald M Caldwell  
24  
25           2   Take no further action and close the file as to Brad S Combs  
26  
27           3   Close the file as to Carlo A Bell, Jason A Martin, William F Mullins, Jack Prater,  
28                   and Marvin L White  
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4 Approve the appropriate letters

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4

Thomasena P Duncan  
General Counsel

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6

8-11-10  
Date

BY

Kathleen M Gurth  
Kathleen M Gurth  
Acting Associate General Counsel

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Stephen A Gura  
Stephen A Gura  
Deputy Associate General Counsel

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Mark Allen  
Mark Allen  
Assistant General Counsel

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Jack Gould  
Jack Gould  
Attorney

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Michael A Columbo  
Michael A Columbo  
Attorney

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MUR 6054

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**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of  
Vernon G. Buchanan  
Vern Buchanan for Congress and Joseph R. Gruters,  
in his official capacity as treasurer

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**GENERAL COUNSEL'S REPORT #9**

**I. RECOMMENDATION**

Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as treasurer, and close the file as to these respondents.

**II. INTRODUCTION**

This matter concerns \$67,900 of campaign contributions received by Vern Buchanan for Congress ("VBFC" or "Committee"), during the 2006 and 2008 election cycles that were reimbursed with the funds of Hyundai of North Jacksonville ("HNJ"), a car dealership in which Representative Vernon G. Buchanan ("Buchanan") held a majority ownership interest. On March 17, 2010, the Commission found reason to believe that Rep. Vernon G. Buchanan, Vern Buchanan for Congress, and Joseph Gruters, in his official capacity as treasurer, knowingly and willfully violated 2 U.S.C. §§ 441f and 441a(f) and conducted an investigation. On September 21, 2010, the Commission determined to enter into pre-probable cause conciliation with Respondents, who rejected conciliation shortly thereafter. After we served the General Counsel's Brief, Respondents served their brief, which substantively responded to the allegations in this matter for the first time. On December 9, 2010, the Commission held a probable cause hearing.

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1           This case turns on whether Buchanan directed his minority business partner Sam Kazran  
2 ("Kazran") to reimburse contributions at HNJ in 2005, 2006, and 2007. Kazran testified that he  
3 did, and Buchanan testified that he did not. We have reviewed the entire record, including  
4 Respondents' evidence and arguments regarding the credibility of witnesses and exculpatory  
5 information.

6           Since we served the General Counsel's brief, we learned of evidence that bears directly  
7 on Kazran's credibility. This new information raises significant concerns regarding the  
8 credibility of Kazran, the principal witness in this case, and there is no testimonial or  
9 documentary evidence that sufficiently corroborates his testimony that Buchanan directed  
10 Kazran to reimburse contributions of HNJ employees, a claim that Buchanan denies. Other  
11 witnesses gave statements that are in some ways consistent with Kazran's testimony, but these  
12 witnesses either did not testify that they heard Buchanan instruct Kazran to reimburse  
13 contributions, or their testimony did not align with Kazran's as to Buchanan's alleged direction to  
14 reimburse contributions. Given the concerns about Kazran's credibility and other gaps in the  
15 evidentiary record, the lack of direct support is significant. Further, the circumstantial evidence  
16 does not sufficiently corroborate Kazran's testimony to overcome our recent concerns with his  
17 credibility because in many cases, this evidence supports Buchanan's claims or is ambiguous.

18           Accordingly, we recommend that the Commission take no further action as to  
19 Buchanan and VBFC.

### 20   **III. NEW INFORMATION REGARDING KAZRAN'S CREDIBILITY**

21           After we filed the General Counsel's brief, Respondents provided a copy of an order  
22 finding Kazran in contempt of court. This order, coupled with Kazran's actions at about the

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1 same time we filed the General Counsel's brief, influences our reasoning and recommendation in  
2 this case.

3 Respondents attach to their reply brief a 2008 order from a civil case in Georgia finding  
4 Kazran in contempt and ordering him jailed, and a 2010 motion seeking sanctions in the same  
5 case against Kazran's companies. Reply Brief, Exhs. 6, 8. Respondents' claim that "Kazran's  
6 lack of credibility should be evident to OGC given his deceit during a recent bankruptcy  
7 proceeding in Georgia state court, a case likely familiar to OGC as a result of its two-year  
8 investigation." Reply Brief at 6.

9 The contempt order in question was issued by a Georgia trial court in November 2008 in  
10 a civil suit between Bank of America and three car dealerships owned by Kazran. See Reply  
11 Brief, Exh. 5, 6. It appears that the court found Kazran in contempt because he transferred  
12 \$137,843.00 in violation of an order appointing a receiver. *Id.* We agree with Respondents that a  
13 court's contempt order for transferring funds in violation of an order of receivership is a serious  
14 matter because it relates to Kazran's honesty and respect for the law.<sup>1</sup>

15 Respondents assert that Kazran's credibility is also undermined because in mid-to-late  
16 October 2010, he allegedly threatened to publicize the Commission's Investigation of Buchanan  
17 by filing a lawsuit seeking Buchanan's payment of Kazran's future negotiated civil penalty with  
18 the Commission and repayment of the reimbursements to HNJ. Reply Brief at 5, Exh. 1, 4. We  
19 agree with Respondents that Kazran's actions were ill-advised and raise credibility concerns,

---

<sup>1</sup> Respondents also fault OGC for not discovering this information. Hearing Transcript at 16. As to this claim, Buchanan's counsel informed us in September 2010 that Kazran had been in jail in Georgia. We asked Respondents' counsel for more specifics about Kazran's jailing, and counsel for Buchanan said he would produce them at the appropriate time. We immediately conducted criminal background searches in both Georgia and Florida, and those searches produced no evidence of convictions. Respondents revealed the information in early November when they served their reply brief. We do not know why counsel did not reveal it sooner.

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1 especially as Kazran's actions occurred in the two weeks before the 2010 elections. We note that  
2 once the election was over, Kazran did not follow through with his promise to file the lawsuit,  
3 which may suggest that his promise was tied to the election.

4 In fairness to Kazran, his October 2010 correspondence essentially repeats the claims he  
5 has made all along: Buchanan should repay HNJ and him for the amounts related to Buchanan's  
6 instruction that HNJ reimburse contributions to his political committee. Further, a close reading  
7 of the documentation Kazran sent indicates that Kazran's action would reveal the investigation  
8 of his own actions, not Buchanan's. Moreover, although the timing of Kazran's actions makes it  
9 appear that they were tied to the upcoming election, the timing of Kazran's letter was also related  
10 to the timing of the Commission's September 28, 2010, notification to Kazran that it had found  
11 probable cause and was seeking conciliation. The September 28, 2010, notification letter also  
12 stated that the Commission might institute a civil suit against Kazran if an agreement was not  
13 reached within 30 days.

14 We also note that at the probable cause hearing, Respondents asserted that "Kazran implied  
15 in a letter that he was working with OGC to negotiate a civil penalty for Congressman Buchanan  
16 to pay on behalf of Kazran." Hearing Tr. at 17. In fact, the Commission found probable cause  
17 that Kazran and HNJ violated the Act, and, as required by the Act, OGC engaged in post-  
18 probable cause conciliation on behalf of the Commission. The negotiation, which was  
19 unsuccessful, was over Kazran and HNJ's civil penalty, not Buchanan's.

20 Given the new information relating to Kazran's credibility, we believe that his testimony  
21 regarding Buchanan's instruction to reimburse contributions at HNJ needs strong corroboration  
22 to be considered sufficient enough to say that it is more likely than not that his version of the  
23 facts is true. As explained in this report, the record does not contain such corroboration.

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**IV. KAZRAN'S TESTIMONY AS TO DISCUSSIONS DURING WHICH BUCHANAN INSTRUCTED HIM TO REIMBURSE CONTRIBUTIONS AT HNJ IS NOT SUFFICIENTLY CORROBORATED BY WITNESSES TO THESE DISCUSSIONS**

Kazran testified that Buchanan, his majority partner in the HNJ car dealership, directed him on a number of occasions from 2005 to 2007 to solicit employees at HNJ to make contributions to VBFC and then to reimburse those employees with funds from HNJ. Kazran Depo at 13-14, 20-22, 32, 34-37, 53-54, 70-72. Buchanan denies that he ever suggested that Kazran should reimburse employee contributions to his campaign. Buchanan Depo at 93, 98-99.

We analyzed Kazran's testimony regarding Buchanan's directions to reimburse contributions of HNJ employees and compared it to the sworn statements of those who witnessed these conversations to see if Kazran's claims were more likely than not true. That analysis shows that Kazran's testimony lacks sufficient corroboration.

**A. The 2005 Instructions to Reimburse Contributions**

In his deposition, Kazran described the first time Buchanan allegedly told him to reimburse contributions.

**Q.** The Federal Election Commission records show that on or about November 2005 some of the employees at the North Jacksonville Hyundai made contributions to Mr. Buchanan's campaign for Congress. The records show that Gail Lephart, Ernest Lephart, Gary Smith and Diana Smith contributed a total of \$16,800 to Mr. Buchanan's campaign for Congress. Did you ask any of these individuals to make a contribution to Mr. Buchanan's campaign?

**A.** Yes, I did.

**Q.** Why did do you that? [sic (transcript)]

**A.** I instructed them to write a check and reimburse themselves for -- because Mr. Buchanan had asked me to get money. And he specifically told me get someone you trust and run it through the corporation.

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1 Q. Okay. And did you get someone that you trusted?  
2

3 A. Yes, Ms. Gail Lephart and D. Smith, he's no longer with us, they were the  
4 office managers. Ms. Gail Lephart was our comptroller that I had known and had  
5 a good relationship with. And she was going to cut the check. She's the person  
6 that cuts the check. And the first time that -- and I think she's contributed on  
7 multiple times, but the first time that I did, I told her that we'd be getting this  
8 money back from Mr. Buchanan. I said, I don't know when, he just asked me to  
9 do it.  
10

11 Kazran Depo at 20-22. Kazran makes another reference to Lephart later in the deposition when  
12 we questioned him about a paragraph in an affidavit that Buchanan and John Toschi, the CEO of  
13 his companies, pressured to him to sign in connection with a settlement of a business dispute  
14 between Buchanan and Kazran. See Section V.E., below. This paragraph states that before  
15 September 2008, neither he nor Buchanan knew of reimbursements at HNJ. Kazran stated:

16 A. That is an absolute lie. Mr. Vern Buchanan -- well, let's put it this way. I'm  
17 surprised that they're putting that in there, because not only he's had personal talks  
18 with me, I've had -- Josh Farid has heard him, Gail Lephart on the phone has  
19 heard him....  
20

21 Kazran Depo at 70. Buchanan denied that he ever suggested to Kazran that he reimburse these  
22 contributions. Buchanan Depo at 98-99.

23 To help resolve this factual dispute, we looked at sworn statements from witnesses who  
24 claimed they were present during 2905 conversations regarding reimbursing contributions at  
25 HNJ. First, Gayle Lephart averred that just before she made her contribution to VBFC on  
26 November 29, 2005, she heard Kazran talking on a cellphone to a person she assumed was  
27 Buchanan. See Lephart Affidavit. She heard Kazran say something like "Vern, I'll handle it  
28 now," and immediately after that, Kazran told her to write a personal check to VBFC in a  
29 specific amount and reimburse herself with HNJ funds, and then find other potential contributors  
30 at HNJ and reimburse them through HNJ's payroll account, which she did. *Id.* She also swore  
31 that Kazran directed her to send the contributions to Diane Mitchell at VBFC. *Id.* Diane

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1 Mitchell is an assistant to John Tosch who, according to Buchanan, may have done some  
2 volunteer work for VBFC. Buchanan Depo at 101-102.

3 However, Lephart does not swear that she heard Buchanan direct Kazran to reimburse  
4 contributions, indeed, she did not hear anything Buchanan said during the phone call in question.  
5 Further, Lephart did not corroborate Kazran's testimony that he told her that Buchanan would  
6 repay HNJ for the reimbursements. Lephart Aff. at 1.

7 Second, Joshua Farid, Kazran's business partner and brother-in-law, swore to  
8 overhearing a 2005 phone conversation during which Buchanan told Kazran that he needed to  
9 raise \$50,000 for VBFC. See Farid Affidavit at ¶4. He also swore that he heard Kazran tell  
10 Buchanan that he had already contributed the maximum to Buchanan's campaign, to which  
11 Buchanan replied that Kazran should have HNJ employees contribute to the campaign and then  
12 reimburse them with HNJ funds. *Id.* Kazran did not mention this conversation in his deposition.

13 **B. The 2006 Instructions to Reimburse Contributions**

14 Kazran also testified to a 2006 conversation during which Buchanan suggested to him  
15 that he could reimburse contributions at HNJ to raise \$25,000 or \$50,000 for VBFC, and this  
16 suggestion was part of the negotiations regarding Kazran's purchase of Buchanan's interest in a  
17 dealership in Georgia called Gwinnett Place Dodge. Kazran Depo at 13-14, 32, 34-36.  
18 Buchanan denies that he ever suggested reimbursing contributions at HNJ, Buchanan Depo at 93,  
19 98-99, and specifically denied that he discussed with Kazran the amount that Kazran would have  
20 to pay him for his share of Gwinnett Place Dodge, and denied asking Kazran to raise funds in  
21 connection with that transaction. *Id.* at 104-106.

22 Kazran testified that Buchanan, Farid, and he were walking in a hallway when Kazran  
23 offered to buy Buchanan's interest in that dealership. Kazran Depo at 32, 34-35. Buchanan had

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1 asked Kazran for \$300,000 or \$400,000 for his interest, but Kazran did not have that much  
2 money. *Id.* at 35. Kazran wanted to pay a smaller amount, and he wanted to pay Buchanan over  
3 time. *Id.* He further testified that Buchanan agreed to payments over time if Kazran would agree  
4 to raise "25- or \$50,000" for VBFC. *Id.* at 35-36. When Kazran said he did not have that much  
5 money, Buchanan told him to "get someone you trust and run it through the corporation." *Id.* at  
6 36. He also claims that Farid was present during the conversation. *Id.* at 32, 72.

7 Farid, however, does not swear that he heard Buchanan tell Kazran to reimburse VBFC  
8 contributions with HNJ funds during this conversation. He swears that (1) he heard Buchanan  
9 tell Kazran that he "would have to get more funds for Buchanan's campaign," and (2) it was his  
10 understanding "based on subsequent conversations [Farid] had with Mr. Kazran" that Buchanan  
11 wanted Kazran to solicit contributions from HNJ employees and then reimburse them with HNJ  
12 funds. Farid Aff. at ¶5. So, while Farid's affidavit provides evidence that is consistent with  
13 some details to which Kazran also testified, it lacks first-hand testimony on the most important  
14 point: whether Buchanan told Kazran to reimburse contributions at HNJ in 2006.

15 C. The 2007 Instructions to Reimburse Contributions

16 There is corroboration of Kazran reimbursing contributions at HNJ in 2007, but not of the  
17 allegation that Buchanan directed them. Kazran's testimony as to such reimbursements was:

18 But on the second time, in fact, she [Lephart] was at the office when I was talking  
19 to Mr. Buchanan. And at the time in 2007, or 2008, was the second one, the  
20 company was not doing very good, so—and she was not very happy about us  
21 writing those large amounts of checks.

22  
23 Kazran Depo at 22. He also testified:

24  
25 And that — and the second time that he was running, we were in the process of  
26 buying the Kia dealership. But, you know, I was a pretty good partner, if you  
27 will, with Mr. Buchanan, so he always — he always said, I'm counting on you  
28 now. You're the only one that can raise this kind of money. Make sure you get it.  
29 Make sure you get it.

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1  
2 There would be times that Mr. Buchanan would call me in a week's time several  
3 times. I mean, very aggressively too. I mean, I remember having two, three  
4 phone calls in a two, three-day period.  
5

6 Now, if you guys go and check the close of reporting, that quarterly reporting,  
7 you'll see that, you know, at the beginning you get a small amount, but then  
8 towards the end of it he would always expect us to do more.  
9

10 Kazran Depo at 53-54. Kazran further testified:

11 Q.: Mr. Kazran, going back to the previous testimony that you've made today,  
12 isn't it true that you were initially approached by Mr. Buchanan who instructed  
13 you –  
14

15 A.: Every time.

16  
17 Q.: -- to reimburse your employees with the company money and contribute to his  
18 campaign?  
19

20 A.: Right. He said get somebody you trust, run it through the corporation. And  
21 Josh Farid was present there.  
22

23 *Id.* at 72. Again, Buchanan denies that he ever discussed reimbursing contributions at HNJ.

24 Buchanan Depo at 93, 98-99.

25 Lephart's affidavit also describes reimbursements at HNJ "sometime in 2007." She  
26 swore that Kazran approached her and told her that HNJ employees needed to contribute to  
27 VBFC and be reimbursed with HNJ funds. She claimed she told Kazran she was upset that  
28 company money was going to be used to reimburse contributions, but Kazran responded only  
29 with a shrug. See Lephart Affidavit.

30 What is missing from both Kazran's testimony and Lephart's statement is specific, direct  
31 evidence that Buchanan told Kazran to reimburse contributions in 2007. Kazran testifies only  
32 that Buchanan told him to get more contributions, and he was aggressive about it. Kazran Depo  
33 at 53-54. He obliquely indicated that these contributions were also accomplished through a  
34 trusted person, Lephart. *Id.* at 22. Lephart testifies only that Kazran told her to reimburse more

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1 contributions at HNJ, she told Kazran she was upset about it, and Kazran only shrugged. Kazran  
2 also testified ambiguously about how Buchanan instructed him to reimburse contributions "every  
3 time," but he seems to be referring to times when Farid was present, and Farid was not present  
4 during the 2007 conversation he had with Buchanan. Kazran Depo at 72. As there is insufficient  
5 direct evidence that Buchanan directed Kazran to reimburse contributions at HNJ, we next  
6 considered the circumstantial evidences.

7 **V. SOME OF THE CIRCUMSTANTIAL EVIDENCE IS CONSISTENT WITH**  
8 **KAZRAN'S VERSION OF EVENTS, BUT OTHER EVIDENCE IS CONSISTENT**  
9 **WITH THE DENIALS OF BUCHANAN AND HIS ASSOCIATES**  
10

11 As described more fully in the General Counsel's Brief, there was a series of events from  
12 2005 to 2008 that relates to Kazran's allegation that Buchanan directed him and other partners in  
13 his businesses to reimburse contributions. The circumstantial evidence does not sufficiently  
14 corroborate Kazran's testimony to overcome our recent concerns with his credibility because in  
15 many cases, the evidence is consistent with the denials of Buchanan and his associates.

16 **A. Testimony That Shortly After Buchanan Announced his Candidacy in 2005, One of**  
17 **his Associates Suggested that Employee Contributions Could be Reimbursed**  
18

19 Buchanan announced to his partners at a meeting in late summer 2005 that he was  
20 running for Congress. Buchanan partner Steve Silverio testified to a conversation that happened  
21 during a lunch in August or September 2005 that followed that meeting. According to Silverio,  
22 Buchanan's COO Dennis Slater suggested that contributions to Buchanan's campaign could be  
23 reimbursed, and Buchanan's CEO John Tosch "just sat there." Silverio Depo at 46-47.

24 In response, Respondents cite Tosch's general denial of any knowledge that Buchanan or  
25 his agents suggested reimbursing contributions and Slater's testimony that he did not know about  
26 any contributions that had been reimbursed until he heard about them in the media. Reply Brief  
27 at 14-15; Tosch Depo at 36; Slater Depo at 68. Respondents also assert that Silverio testified

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1 that Buchanan never alluded to reimbursing dealership employees, and Silverio was biased  
2 against Buchanan. See Reply Brief at 15, note 8; Hearing Tr. at 10. In addition, before the  
3 probable cause hearing, we identified and disclosed to the Respondents Silverio's prior  
4 statement, made during an informal interview before his deposition, that the Buchanan officer  
5 who authorized the reimbursements was either Tosch or Slater and that Buchanan was present  
6 when one of his top officers gave that instruction. Letter dated December 9, 2010. In contrast,  
7 during his deposition, Silverio testified that it was Slater who stated that partners could  
8 reimburse their employees through payroll, and Silverio did not place Buchanan at this  
9 discussion. See Silverio Depo at 46-47. Further, we disclosed to Respondents that Silverio  
10 stated during his interview that after the end of his partnership with Buchanan, he was at one  
11 time motivated to sue Buchanan or take their dispute to the media, but an attorney talked him out  
12 of it. Letter dated December 9, 2010.

13 We believe that Silverio's deposition testimony remains credible. First, Silverio testified  
14 in a way that eliminated Buchanan's involvement in this incident, which is inconsistent with a  
15 bias against Buchanan. Respondents' claim that that Silverio's initial desire to sue Buchanan or  
16 go to the media shows bias against Buchanan, but it is hard to understand how Silverio's ultimate  
17 refusal to do these things in the past shows that he must have been biased against Buchanan  
18 when he testified as to what Slater said and Tosch heard. Further, whether it was Tosch or Slater  
19 who authorized the partners to reimburse employee contributions, Silverio consistently claimed  
20 that a top Buchanan officer suggested that partners could reimburse employee contributions.  
21 Finally, both Slater and Tosch have reason to deny that the incident Silverio described happened.

22 Even so, this incident is of limited value in supporting Kazran's testimony about  
23 Buchanan. Silverio testified that Buchanan was not present during the conversation, and that he

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1 never heard Buchanan suggest that partners could reimburse employee contributions. Silverio  
2 Depo at 61. In addition, no other Buchanan partner who we contacted stated that he heard  
3 Buchanan authorize reimbursed contributions.

4 **B. Fundraising Pressure**

5 As described more fully at pages 9-15 of the General Counsel's Brief, there was also  
6 testimony and documentary evidence that beginning in 2005, Buchanan and his associates  
7 pressured his minor partners to raise contributions, especially towards the end of quarterly  
8 reporting periods, that Buchanan's campaign tracked these contributions, and that Buchanan was  
9 more involved in these activities than he was willing to admit during his deposition.  
10 Respondents argue that all of this activity was normal and legal, and Buchanan's lack of recall  
11 about these events is understandable, given the passage of time. Reply Brief, 16-18, 22-24. We  
12 think the evidence here is ambiguous because it is consistent with both Kazran's contentions of a  
13 wider reimbursement scenario and Respondents' claim of normal campaign activity.

14 **C. Employee Reimbursements at the Venice Nissan Dealership in 2005 and the**  
15 **SunCoast Ford Dealership in 2007**  
16

17 Last year, the Commission found probable cause to believe that contributions in  
18 September 2005 were reimbursed at Venice Nissan ("VN"), a Buchanan-controlled dealership,  
19 and the relevant respondents conciliated with the Commission. See General Counsel's Report #6  
20 in this matter. There is, however, no information that Buchanan was personally involved with  
21 these reimbursements.

22 In 2007, another Buchanan dealership, SunCoast Ford, reimbursed \$18,400 in  
23 contributions to VBFC made by its operating partner, Gary Scarbrough, and three employees.  
24 See GC's Brief at 15-16, Reply Brief at 20-21. Respondents' *sua sponte* submission in this  
25 matter did not mention these reimbursements. See Reply Brief, Exh. 9. Respondents do not

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1 contest that SunCoast Ford reimbursed these contributions, that they learned of the  
2 reimbursements in 2007, or that they did not voluntarily disclose this fact to the Commission.  
3 Reply Brief at 20-21. Respondents rely upon Scarbrough's testimony that he did not recall  
4 ordering the reimbursements. *Id.* at 7. They also maintain that VBFC's refund of the reimbursed  
5 contributions was in line with Commission regulations and standard operating procedure for  
6 political campaigns. *Id.* at 21.

7 Regarding Scarbrough's claim he did not recall ordering the reimbursements, we note  
8 that Scarbrough responded that he either did "not recall" or did "not remember" over 100 times  
9 during his deposition, which lasted a little more than two hours. *See Scarbrough Depo, passim.*  
10 As discussed below, Scarbrough remembered more during his informal interview, so we do not  
11 consider his testimony particularly credible. In addition, after the SunCoast Ford  
12 reimbursements were revealed, neither Scarbrough nor any other SunCoast Ford employee was  
13 disciplined for using company funds to contribute to VBFC, *Tosch Depo* at 51, nor have  
14 Buchanan's businesses instituted new policies nor issued guidance to Buchanan's partners and  
15 employees about contributing to VBFC. *Tosch Depo* at 52.

16 Respondents' contention that VBFC complied with Commission regulations when it  
17 refunded the reimbursed SCF contributions is essentially true. Nonetheless, in response to a  
18 question at the hearing why VBFC only disclosed the HNJ reimbursed contributions in its *sua*  
19 *sponte* and not the SCF reimbursed contributions, counsel for VBFC responded that CREW had  
20 filed a complaint on August 19, 2008, alleging reimbursed contributions at VN, and it wanted the  
21 Commission to understand "all of the outstanding issues." Hearing Tr. at 31-33. Counsel also  
22 stated that the HNJ reimbursed contributions were more recent than the SCF reimbursed  
23 contributions and that HNJ was "a completely different fact pattern." *Id.* at 31-32. Counsel for

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1 Buchanan noted that VN never admitted wrongdoing, and he distinguished SCF from HNJ by  
2 asserting that Scarbrough "believed he could engage in the activity that occurred there" and that  
3 it was a "mistake." *Id.* at 35-36. Ultimately, counsel's explanation appeared to be that, in  
4 contrast to the Buchanan subordinates involved in the VN and SCF contribution reimbursements,  
5 Kazran was the only Buchanan partner who admitted guilt. *Id.* at 36. We believe the *sua*  
6 *sponte*'s exclusion of the SunCoast Ford reimbursements is in tension with counsel's claim at the  
7 hearing that the *sua sponte* was filed to help the Commission understand "all the outstanding  
8 issues."

9 Related to evidence of reimbursements at other Buchanan-owned dealerships is the  
10 testimony from Salvatore Rosa, a former financial officer for a Buchanan-owned company, that  
11 Buchanan had asked him in the early 2000's to help one of Buchanan's business partners receive  
12 a reimbursement for a political contribution using the funds of the company Buchanan owned  
13 with that partner. Rosa Depo at 20-21. According to Rosa, when he told Buchanan that doing so  
14 would be illegal, Buchanan told him to "finesse it" and ended the conversation. *Id.* at 21-22.  
15 Buchanan denies this event happened, and in their Reply Brief, Respondents provide reasons  
16 why they believe that Rosa is an unreliable witness. See Buchanan Depo at 73-74, Reply Brief at  
17 12-14, and Section VI.B.3 *infra*. In response to a question at the hearing, Buchanan's counsel  
18 stated that the phrase "finesse it" could be interpreted in different ways and that Buchanan might  
19 interpret such a statement differently than Rosa did. Hearing Tr. at 25-26. Respondents did not  
20 offer any examples of alternative interpretations.

21 The Commission found probable cause to believe that VN and a senior manager  
22 reimbursed employee contributions, and there is no dispute that SCF reimbursed employee  
23 contributions. These incidents are consistent with Kazran's testimony of a reimbursement

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1 scenario at HNJ, another Buchanan-owned business. There is, however, no evidence directly  
2 linking Buchanan to these situations. Rosa's testimony, however, links Buchanan to such a  
3 scheme, although it is outside the statute of limitations. Even so, it is evidence that is consistent  
4 with Kazran's claim that Buchanan asked him to reimburse contributions at HNJ.

5 **D. Kazran and Farid's 2008 Emails**

6 In 2008, the business relationship between Buchanan and Kazran deteriorated as  
7 Kazran's dealerships began experiencing financial difficulty. As a result, Kazran and Farid sent  
8 a series of emails to Buchanan, his CEO John Tosh, and one of Buchanan's attorneys in late  
9 summer and early fall of 2008 seeking to resolve the business dispute, and in some cases, asking  
10 for Buchanan's help. Kazran also sent Tosh copies of the contribution checks of HNJ  
11 employees and the HNJ checks given to those employees to reimburse them for their  
12 contributions. *See Tosh Depo Docs 000018-38.*

13 The first Kazran email, dated August 26, 2008, and sent to Buchanan, mentioned  
14 Kazran's support of their partnership and stated "I am the only one in our group that has donated  
15 over 80k to [Buchanan's] campaign." Tosh Depo Docs 000058-59. It stated that Kazran and  
16 Buchanan appeared to be at the end of their partnership, but Kazran hoped for an "amicable,  
17 clean and speedy exit strategy." *Id.* at 000058.

18 The next day, Farid sent an email to Tosh in which he expressed frustration with  
19 Buchanan because Buchanan was seeking to sue Kazran after "this dealership" [HNJ] had  
20 supported his campaign "to a tune of \$80K" at Buchanan's request. Farid Aff. at Exh. 1. He  
21 also expressed frustration with Kazran. *Id.* In his affidavit, Farid explained that he sent this  
22 email, in part, because he felt that Buchanan was taking advantage of Kazran by expecting him  
23 to use dealership funds to reimburse employee contributions to VBFC. Farid Aff. at 1-2.

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1 On September 8, 2008, Kazran sent an email to Tosch either just before or just after  
2 receiving a demand letter for \$2.5 million from Buchanan. In the email, Kazran stated:

3 this is the 1<sup>st</sup> set of checks, there are more to follow, It gives me great regret to  
4 have done this for Vern when he doesn't even hesitates [sic] for a second to sue  
5 me and my wife over 20k . . Maybe he can consider taking part of this 80k+ as  
6 one month of payment so my wife doesn't cry out of fear of loosing [sic] our  
7 home. I thank Vern for giving me permission to set aside my moral character . . .  
8

9 Tosch Depo Docs 000028. Tosch testified that Kazran sent this email and the checks to him the  
10 day or the day after Buchanan sent him the demand letter seeking \$2.5 million on a loan  
11 Buchanan had made to Kazran. Tosch Depo at 92-96. According to Tosch, this email shows the  
12 amounts of dealership money that Kazran claimed he used to reimburse employee contributions  
13 at Buchanan's direction. See Tosch Depo at 71; see also Tosch Depo Docs 000028, 000049,  
14 000056, and 000058-59.

15 On October 1, 2008, Kazran sent an email to Buchanan attorney Roger Gannam about  
16 terms on which Buchanan and Kazran might settle their business dispute. That email contained  
17 the following:

18 Vern had mentioned he would want to reimburse the stores a bill that he and I  
19 spoke of, the total amount is \$83500, He has copies of 52k, if he likes I can get  
20 the rest or he can verify through his record. This was at his request  
21

22 Tosch Depo Docs 000049.

23 Finally, on October 5, 2008, Kazran sent an email to Tosch, which appears to  
24 reflect settlement discussions he was having directly with Buchanan. In that email,  
25 Kazran stated:

26 Vern and I will talk about the last part without attorneys[sic], I think I have a  
27 suggestion that will make him happy . . . He wants to cut a check for all the  
28 amount, I have about 70k tracked down the rest are credit cards, if he wants to  
29 verify, I have to call the campaign mgr to ask her for details, if you can have  
30 someone do that I would app[re]ciate it.  
31

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1   Tosch Depo Docs 000056.

2           Respondents maintain that Kazran's 2008 emails were both (a) about the reimbursements  
3   for which Kazran did not want to take responsibility, Reply Brief at 19, and (b) not about  
4   reimbursements but, as Tosch testified, about attorney's fees. Reply Brief at 9-10. Respondents  
5   do not clearly explain this difference. In support of their claim that the "52k" Kazran referred to  
6   in his October 1, 2008, email was a reference to Kazran's attorney's fees, Respondents rely on  
7   Tosch's deposition testimony. Reply Brief at 9-10; Tosch Depo at 92-96. Kazran recently  
8   confirmed in a letter that he and Buchanan were indeed discussing Buchanan possibly paying  
9   Kazran's attorney's fees of \$50,000. Reply Brief, Exh. 1.

10           Although the emails contained discussions about attorney's fees, they also appear to  
11   discuss Kazran's reimbursement of contributions at HNJ and his discussions with Buchanan  
12   about repaying those funds. What is not clear is whether these emails closely support Kazran's  
13   claim that Buchanan told him to reimburse these contributions with HNJ funds, or that Buchanan  
14   agreed to repay these amounts. The language in the emails is vague on these points, and none of  
15   them state that Buchanan was aware that Kazran was reimbursing contributions or that Buchanan  
16   ordered him to do so.

17       **E. The Affidavit that Buchanan's Attorneys Asked Kazran to Sign**

18           Another piece of circumstantial evidence in this matter is that on October 2, 2008,  
19   Buchanan and Tosch made an offer to Kazran to settle their dispute that required him to sign an  
20   affidavit regarding the reimbursement of contributions at HNJ. This affidavit stated, among  
21   other things, that neither Buchanan nor Kazran knew anything about the reimbursed  
22   contributions. This affidavit was attached to a settlement proposal Buchanan's counsel drafted,  
23   which Buchanan and Tosch signed. Kazran Depo at 56, Exhs. 2 and 3. Kazran testified that the

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1 affidavit was false, and that Buchanan made its execution a condition of that October 2, 2008,  
2 offer to settle their differences. Kazran Depo at 63, 70-72. He stated that Buchanan told him "if  
3 I did not sign the affidavit, to blame everything on me, then there would be no agreement and  
4 contract to purchase out the dealership and give me back the money." *Id.* at 63. This affidavit is  
5 potentially significant because it could demonstrate that Buchanan was attempting to conceal his  
6 involvement in the reimbursement scheme.

7 Respondents claim that the affidavit is "entirely true." Reply Brief at 20; *see also*  
8 Probable Cause Hearing Transcript at 37. Contrary to Respondents' claims, the affidavit is not  
9 "entirely true." Paragraph 5 of the affidavit states that before September 2008, Kazran had no  
10 information that HNJ had reimbursed individuals for contributions made to VBFC. This  
11 provision contradicts one of Respondents' key claims in the case--that Kazran alone directed the  
12 reimbursements at HNJ during the '06 and '08 cycles. See Hearing Tr. at 7-8. It also contradicts  
13 Kazran's undisputed testimony that he reimbursed contributions at HNJ in 2005, 2006, and 2007.  
14 See Section IV, above. Further, at the time the affidavit was drafted, Kazran had already sent the  
15 reimbursement checks to Tosch, who discussed Kazran's allegations with Buchanan's attorneys.  
16 Tosen Depo at 71-72 (noting that Kazran discussed the reimbursements during a call that took  
17 place the day of, or the day before, Kazran sent the checks to Tosch by email); Tosch Depo Docs  
18 000028 (September 8, 2008, email from Kazran to Tosch containing HNJ reimbursement checks  
19 and the contribution checks that were reimbursed). Finally, Buchanan and Tosch gave different  
20 reasons why the affidavit was necessary. Buchanan claimed that the affidavit was needed  
21 because Tosch told him that Kazran was trying to leverage more money in the financial dispute,  
22 but Tosch claimed that the affidavit was needed based on a conversation Buchanan had with

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1 Kazran on October 1, 2008. See Buchanan Depo at 165-68; Tosch Depo at 111. Tosch testified  
2 that he was unaware of the subject of the conversation. Tosch Depo at 111-12.

3 Buchanan testified to having almost nothing to do with the affidavit and remembering  
4 little about it. Buchanan Depo at 164, 166-67, 173. He claimed he did not remember signing the  
5 settlement proposal to which the affidavit was attached, that it was not his idea to have Kazran  
6 sign the affidavit, that he did not know who prepared the affidavit, that he had no part in drafting  
7 it, that he had never seen it before his deposition, and that he never discussed it with Tomba. *Id.*  
8 at 164, 166-67. He denied knowing if Kazran ever signed the affidavit. *Id.* at 173. Respondents  
9 assert that Buchanan was understandably unable "to remember the precise details of a document  
10 he had never seen[.]" Reply Brief at 20.

11 Buchanan's lack of recall about the affidavit, or the events surrounding it, does not seem  
12 credible. It is improbable that Buchanan's attorneys drafted the affidavit and presented it to  
13 Kazran without Buchanan's involvement considering that (1) the affidavit did not concern the  
14 subject of the commercial negotiations, but rather Buchanan's knowledge of reimbursed  
15 contributions to VBFC, and (2) it was presented to a former Buchanan partner who, according to  
16 Respondents, was threatening to go to Buchanan's political opponent or the Commission before  
17 the 2008 election with his allegation that Buchanan ordered him to reimburse contributions.

18 To some extent, the affidavit contradicts the testimony of both Kazran and Buchanan.  
19 Respondents claim that affidavit is true, but it is not. Kazran claims that the affidavit "blame[s]  
20 everything on me," but it does not. Kazran Depo at 63. Thus, it does not provide strong  
21 corroboration for either.

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**F. The Testimony of Buchanan and his Associates on Background Issues**

On a number of background issues, the testimony of Buchanan and his associates is not particularly credible. Although these inconsistencies diminish the credibility of Buchanan and his associates, they do not necessarily corroborate Kazran's testimony.

In their Reply Brief, Respondents claim that there is "unassailable, independent proof that Congressman Buchanan actively instructed against reimbursement of contributions," Reply Brief at 11, even though there is little corroborative evidence and more contrary evidence. During his deposition, Buchanan asserted that he made it clear to Kazran and others that they could not reimburse contributions, and that VBFC sent a letter to partners informing them that they could not reimburse contributions. Buchanan Depo at 34, 58-59, 93-94. Buchanan's testimony is at odds with the testimony of Kazran and Silverio, *see* Kazran Depo at 87-88 (testimony that he was unaware that reimbursing contributions was illegal), Silverio Depo at 46-47 (claiming that Buchanan's COO Dennis Slater told him in 2005 that he could reimburse contributions and that Silverio did not know the rules or the laws of campaign finance). Buchanan's testimony is also internally inconsistent, contradicted by a statement in an interview of the former VBFC treasurer Nancy Watkins that she was unaware of any documents prepared for Buchanan's business partners regarding campaign finance law, and not supported by the documents actually produced by VBFC.

Similarly, Buchanan testified that he could not remember "one way or the other" whether he ever asked Kazran to fundraise for VBFC for the '06 election. Buchanan Depo at 89. There is evidence that Buchanan did ask, and it raises legitimate questions as to Buchanan's credibility that he could not admit this innocuous fact. *See* Gruters Depo

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1 at 38-39 (testifying that Buchanan asked his partners for contributions during the 2006  
2 election). Despite not remembering whether he asked Kazran to fundraise in 2006,  
3 Buchanan was certain that he told Kazran not to reimburse contributions. *See* Buchanan  
4 Depo at 93-94, 110. These two statements are largely inconsistent with each other, and  
5 are inconsistent with the other evidence.

6 Also, Silverio and Gruters testified that Buchanan discussed his campaign with  
7 his partners at the monthly partner meetings, which Buchanan regularly attended.  
8 Silverio Depo at 16-17, 27-28; Gruters Depo at 32, 50-51. Buchanan and his top  
9 deputies, Tosch and Slater, appeared to have contradicted one another as to whether  
10 Buchanan attended partner meetings during his campaign and whether his campaign was  
11 discussed at those meetings. *See* Buchanan Depo at 26, 51, 114; Tosch Depo at 28;  
12 Slater Depo at 47-57. However, Gruters' and Silverio's testimony were consistent with  
13 Kazran's account.

14 Buchanan testified that he did not report an individual partner's fundraising goal  
15 back to the campaign, the campaign did not track fundraising goals, and that he could not  
16 "imagine saying anything" to his campaign about what his partners agreed to raise.  
17 Buchanan Depo at 41, 56. Further, Buchanan testified, "I don't know what anybody has  
18 raised." *Id.* at 110. However, this testimony is contradicted by the testimony of Gruters  
19 and documents produced by VBFC. The campaign maintained lists showing the amounts  
20 that Buchanan's partners had committed to raise, or what they had raised so far, Gruters  
21 Depo at 42-43, 97, 109, and Buchanan himself would follow up with partners to see how  
22 they were progressing with their fundraising. *Id.* at 38-39, 42, 109-111. VBFC produced  
23 an email listing \$58,300 in contributions from various individuals received by VBFC on

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1 September 27, 2007, including \$9,200 from Kazran and his wife. VBFC initially  
2 produced this email on June 25, 2010, but redacted the recipients' email addresses,  
3 including Buchanan's, as "non-responsive." VBFC 000361. After Buchanan's  
4 deposition, Respondents produced this document in unredacted form, revealing that the  
5 email was sent to Buchanan.

6 Faced with the inconsistencies between Buchanan's testimony and that of the other  
7 witnesses and records regarding these issues, Respondents concede that Buchanan's memory  
8 may have "imperfections" or contains "minor memory lapses" that pertain to events years before.  
9 Respondents also contend that these inconsistencies and lapses are not meaningful, and they  
10 relate to legal activity. Reply Brief at 16-18. We do not insist that any witness have perfect  
11 recall of past events to be considered credible, but we think that Buchanan's inability to  
12 remember basic facts as to these uncontroversial, routine issues detracts from his credibility.  
13 Nevertheless, these inconsistencies on background issues do not necessarily show that Buchanan  
14 directed Kazran to reimburse contributions.

15 **VI. RESPONDENTS' ARGUMENTS ARE NOT FACTUALLY ACCURATE**

16 While we do not, for the reasons stated above, recommend finding probable cause, we  
17 believe it is necessary to show that three arguments raised in the Reply Brief are factually  
18 incorrect. In their brief, Respondents contend that "three fatal flaws" prevent the Commission  
19 from finding probable cause in this matter: OGC (1) "relies exclusively on the testimony of one  
20 unreliable witness and his relative," (2) "conveniently omits exculpatory evidence that  
21 contradicts OGC's ultimate conclusion," and (3) "contorts commonplace, lawful fundraising  
22 practices into evidence of wrongdoing." Reply Brief at 1.

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**A. OGC Relies on More Than One Witness and his Relative**

As discussed above, other witnesses, including Lephart, Rosa, and Silverio—none of whom are related to Kazran—gave testimony that was consistent with parts of Kazran's testimony. As discussed above, to some extent, Buchanan and his associates also corroborated aspects of Kazran's testimony.

Respondents assert that Farid is not credible because he is Kazran's brother-in-law and partner. Reply Brief at 6-7. The fact that Farid is Kazran's brother-in-law and business partner does not make Farid's sworn testimony inherently biased or unreliable, nor does it affect the extent to which the remainder of the evidence may support Kazran's (and Farid's) testimony. Also, Respondents rely significantly on an unsworn email from Buchanan's sister-in-law Yvonne Buchanan stating that "We've never reimbursed anyone." See Reply Brief at 15 and VGB 002. Further, her statement was inaccurate because by the time of her email, there was no dispute that VBFC knew that contributions at SunCoast Ford had been reimbursed by the dealership and subsequently refunded by VBFC at the direction of its treasurer. Accordingly, it is hard to see why Ms. Buchanan's email statement is significant.

Respondents also contend that Kazran has a substantial motive to fabricate his testimony to receive lenient treatment from the Commission, having admitted illegal activity. Reply Brief at 3-4. Kazran has not received lenient treatment from OGC, as we recommended that the Commission make knowing and willful findings against Kazran at the RTB and Probable Cause stages, and we recently recommended that the Commission sue Kazran, which it did. See *FEC v. Sam Kazran a/k/a Sam Khazrawan, et al.*, No. 3:10-cv-01155-UATC-JRK (M.D. Fla.) (complaint filed December 17, 2010). We note that Buchanan, a sitting Representative, also has a motivation to avoid a probable cause determination that he and his committee violated the Act.

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1 Respondents also seek to undercut Kazran's testimony by citing allegations from  
2 Buchanan's lawsuit against Kazran and pending bankruptcy proceedings as truth, even though  
3 these matters are not final. Respondents allege that Kazran's credibility is diminished because  
4 he did not repay a loan from Buchanan to Kazran and that Kazran allegedly diverted funds  
5 intended for one dealership to support a different dealership and for other purposes. See Reply  
6 Brief at 5-6. Litigation between Buchanan and Kazran has been ongoing for over two years.  
7 The Commission is in no position to resolve the allegations in these matters, and for now, those  
8 allegations are just that: allegations.

9 **B. Exculpatory Information Was Disclosed to Respondents**

10 Respondents received exculpatory information, some in the GC's Brief, some in the  
11 depositions, and some shortly before the December 9, 2010, probable cause hearing.

12 **1. *The HNJ Response Document***

13 As evidence that Buchanan was not involved with the HNJ reimbursements, Respondents  
14 relied significantly on a statement in an unsworn document Kazran submitted to OGC styled as  
15 the HNJ Response to the Commission's Subpoena ("HNJ Response"). In Kazran's answer to  
16 subpoena question 27, Kazran omits Buchanan's name from a list of HNJ partners, officers, and  
17 managers whom he claimed knew about the reimbursed contributions. Hearing Tr. at 9-10, 37;  
18 HNJ Response at 5. Kazran submitted this document on October 2, 2009, which was after he  
19 stated during interviews on July 15 and 16, 2009, that Buchanan instructed him to reimburse  
20 contributions and before he testified under oath during a deposition on November 6, 2009, that  
21 Buchanan instructed him to reimburse contributions. Kazran Depo at 13, 21, 37, 72.

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1           We understand why Respondents might think this unsworn document<sup>2</sup> is significant  
2       because they may be unaware that we interviewed Kazran before he submitted that statement,  
3       and in that prior interview, he claimed that Buchanan directed the reimbursements at HNJ.  
4       Further, it is likely Kazran understood the relevant question as referring only to current HNJ  
5       partners, not a past partner such as Buchanan. Accordingly, this document is not significant.

6           As a final note, Respondents assert that we provided this document two days before the  
7       hearing, and they are correct. However, it was an oversight, we provided the document  
8       immediately when it was called to our attention, and the Respondents' prominent use of the  
9       document suggests that they suffered little harm.

10           2. *Information in the GC's Brief and Contentions Made in the Reply Brief*

11           Respondents contend that OGC omitted significant exculpatory evidence from its Brief.  
12       See Reply Brief at 12. Respondents contend that Salvatore Rosa's testimony that Buchanan  
13       directed him to reimburse a business partner's contribution in the early 2000's is not credible and  
14       that Rosa has not worked for Rep. Buchanan for eight years. Reply Brief at 12-14. However,  
15       OGC clearly identified the time period in which Rosa warned Rep. Buchanan that reimbursing  
16       dealership employees was illegal, and did not imply that Rosa knew anything about the current  
17       allegations. Moreover, the statute of limitations has nothing to do with when Buchanan knew  
18       reimbursing contributions was illegal, and that knowledge is relevant to the analysis of whether  
19       his alleged violations were knowing and willful.  
20

21           Respondents also contend that Slater, Buchanan's former COO, provided "significant  
22       exculpatory testimony." Reply Brief at 15-16. Respondents' characterization suggests that they  
23       view as exculpatory any person's testimony – here, Slater's – that their own contributions to

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<sup>2</sup> Counsel for Buchanan inaccurately referred to the HNJ Response as a sworn statement. Hearing Tr. at 37.



1 VBFC were not reimbursed or that Buchanan never told them to reimburse contributions, *see*  
2 Hearing Tr. at 10-11, even if their contributions are not at issue in this case. Respondents even  
3 asserted that Dennis Slater's opinion that "the reimbursement allegations smell like retribution  
4 rather than fact" is exculpatory evidence, which it is not. Hearing Tr. at 11. In any event, Slater  
5 was represented by Buchanan's attorney for his dealerships during his deposition and a full  
6 transcript of his deposition testimony was provided to Respondents at the time we provided  
7 Respondents with OGC's brief.

8 *3. Information Provided to Respondents Prior to the Probable Cause Hearing*  
9

10 Just before the probable cause hearing, we provided to Respondents three pieces of  
11 information obtained during informal interviews. Letter dated December 9, 2010. We have  
12 already discussed one of these pieces, which relates to a difference between Silverio's interview  
13 and deposition testimony. *See* Section V.A., above. While there may be differences of opinion  
14 as to whether all the material in the letter is exculpatory, we do not think that the information is  
15 particularly significant and, as already noted, Respondents used the information at the hearing.

16 Another piece of information was a statement from Rosa's interview that he did not trust  
17 Kazran. However, Respondents argue for three pages that Rosa himself should not be believed,  
18 *see* Reply Brief at 12-14. We do not think that Rosa's general impression of Sam Kazran is  
19 particularly probative.

20 Finally, the information provided from Joseph Scarbrough's interview regarding the  
21 circumstances of his being reimbursed by SunCoast Ford for his contribution to VBFC was  
22 actually inculpatory, not exculpatory, because it impeached his testimony (he appeared to  
23 remember more during his interview than at his deposition), and Respondents relied on  
24 Scarbrough's testimony.

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**C. Lawful Fundraising Practices Are Not Cited as Evidence of Wrongdoing but Rather Provide Relevant Context**

Respondents correctly point out that the following actions are legal: soliciting business partners for contributions, seeking contribution "bundlers," tracking contributors, focusing on quarterly reporting, and choosing to raise funds from individuals instead of self-funding. See Reply Brief at 22-24. OGC did not allege that any of these practices constituted violations of the Act; rather, they provide relevant background, context, and corroborating details for Kazran's testimony, and provided examples of instances in which Buchanan's testimony did not appear to be accurate or consistent, even as to innocuous and routine activity.

**VII. CONCLUSION**

The evidence in this case comes close to supporting a finding that it is more likely than not that Respondents violated both §§ 441f and 441a(f). However, new information raises significant concerns regarding the credibility of Kazran, the principal witness in this case, and there is no testimony or documentary evidence sufficiently corroborating his testimony that Buchanan instructed him to reimburse employee contributions at HNJ, a claim that Buchanan directly denies. While there is some other evidence in the record that is consistent with Kazran's general allegations, other evidence supports Buchanan's denials or is ambiguous. Accordingly, we recommend that the Commission take no further action against these respondents.

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**VIII. RECOMMENDATIONS**

1. Take no further action as to Representative Vernon G. Buchanan, Vern Buchanan for Congress and Joseph Gruters, in his official capacity as treasurer, and close the file as to these respondents.
2. Approve the appropriate letters.

1/25/11  
Date

*Christopher Hughey* by *Stephen Gura* with permission  
Christopher Hughey  
Acting General Counsel

*Stephen Gura*  
Stephen A. Gura  
Deputy Associate General Counsel for Enforcement

*Mark Allen*  
Mark Allen  
Assistant General Counsel

*Jack Gould*  
Jack Gould  
Attorney

*Michael A. Columbo*  
Michael A. Columbo  
Attorney

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2010 AUG 11 PM 2:53

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )  
 )  
1099 L.C. d/b/a Venice Nissan ) MUR 6054  
 )  
Donald M. Caldwell )

**CONCILIATION AGREEMENT**

This matter was initiated by a signed, sworn and notarized complaint by Citizens for Responsibility and Ethics in Washington ("CREW"), Carlo Bell, and David J. Padilla. An investigation was conducted, and the Federal Election Commission ("Commission") found probable cause to believe that 1099 L.C. d/b/a Venice Nissan ("VN") and Donald M. Caldwell ("Caldwell")(together, "Respondents") violated 2 U.S.C. § 441f and that VN violated 2 U.S.C. § 441a(a).

NOW, THEREFORE, the Commission and the Respondents, having duly entered into conciliation pursuant to 2 U.S.C. § 437g(a)(4)(A)(i), do hereby agree as follows:

I. The Commission has jurisdiction over the Respondents and the subject matter of this proceeding.

II. Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondents enter voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. VN is a car dealership located in Venice, Florida, that was organized in 1999 as a limited liability company that is taxed as a partnership. In 2005, Vernon G. Buchanan owned 53% of VN through a company called 1099 LC Management. Shelby Curtsinger owned 33% of VN, Kevin Brodsky owned 10% of VN, and Donald Caldwell owned 4% of VN. Buchanan was

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not involved in the day-to-day operation of VN. Shelby Curtsinger was the owner-operator on premises.

2. Donald Caldwell was the VN General Sales Manager in 2005 and reported directly to Curtsinger.

3. In September 2005, Carlo Bell was the VN Finance Director and worked under Caldwell's supervision.

4. In September 2005, Jack Prater was the VN Dodge Sales Manager and worked under Caldwell's supervision.

5. In September 2005, Jason Martin was the VN Finance Manager and worked under Caldwell's supervision.

6. In September 2005, William Mullins was the VN new car sales manager and worked under Caldwell's supervision.

7. In September 2005, Marvin White was the VN used car manager and worked under Caldwell's supervision.

8. In 2005, Buchanan began his campaign for the 2006 election to Congress in Florida's 13<sup>th</sup> Congressional District. His principal campaign committee was Vern Buchanan For Congress ("VBFC").

9. The Federal Election Campaign Act of 1971, as amended ("the Act"), prohibits any person from making a contribution in the name of another and from knowingly permitting his or her name to be used to make such a contribution. 2 U.S.C. § 441f. Section 441f also applies to any person who knowingly helps or assists any person in making a contribution in the name of another. 11 C.F.R. § 110.4(b)(1)(iii).

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10. During the 2005-2006 election cycle, a person could contribute no more than \$2,100 to a candidate and his or her authorized committee per election. *See* 2 U.S.C. § 441a(a)(1)(A).

11. On September 16, 2005, Caldwell verbally requested and obtained \$5,000 cash from the VN accounting office. The VN accounting record for the VN check that was cashed to provide those funds to Caldwell does not indicate its purpose.

12. Caldwell used the \$5,000 he obtained on September 16, 2005, to provide \$1,000 cash each to Carlo Bell, Jack Prater, William Mullins, Marvin White, and Jason Martin that same day. Carlo Bell averred that Caldwell explained that he would give Prater, Martin, and him \$1,000 cash each in exchange for their writing \$1,000 checks to VBFC. In their sworn statements and testimony, Caldwell, Prater, Martin, Mullins, and White denied that Caldwell offered to reimburse Bell, Prater, Martin, Mullins, or White's contributions.

13. Prater, Martin, White, and Mullins contributed to VBFC the same day that Caldwell provided them with the \$1,000 cash; their contributions were made through personal checks, and they were all checks for \$1,000. Bell wrote a \$1,000 contribution check to VBFC the following day. VBFC disclosed receiving the contributions of Bell, Prater, Martin, White, and Mullins on September 28, 2005.

14. The Commission concludes that VN records and testimonial evidence support Bell's allegations that the cash payments were reimbursements for contributions and do not support Respondents' assertions that the cash payments to Bell, Prater, Martin, White, and Mullins were legitimate bonuses. Respondents contend that the cash payments from Caldwell to

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Bell, Prater, Mullins, White, and Martin were legitimate "Fast Start" bonuses and not reimbursements for their contributions.

15. The Commission has evidence that is sufficient to demonstrate that there is probable cause to believe that, by giving \$1,000 to Carlo Bell, Jack Prater, William Mullins, Marvin White, and Jason Martin, VN and Caldwell made contributions to VBFC in the names of Bell, Prater, Mullins, White, and Martin in violation of 2 U.S.C. § 441f, and, therefore, that VN made an excessive contribution by contributing more than \$2,100 per election to VBFC.

V. For the sole purpose of settling this matter and to avoid litigation, without admitting or denying the Commission's conclusions, Respondents will not contest that they violated 2 U.S.C. § 441f by making contributions in the name of another and that respondent VN violated 2 U.S.C. § 441a(a) by making contributions to Vern Buchanan for Congress that exceeded \$2,100 per election.

VI. Respondents will take the following actions:

1. Respondents will pay a civil penalty to the Federal Election Commission in the amount of Eleven Thousand dollars (\$11,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).
2. Respondents will refrain from violating 2 U.S.C. § 441f by making contributions in the name of another, and Respondent VN will refrain from violating 2 U.S.C. § 441a(a) by making contributions that exceed the applicable contribution limitations.
3. Respondent VN will waive the right to any refund of all political contributions from Vern Buchanan for Congress and will request that Vern Buchanan for

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Congress disgorge all contributions referenced in this agreement, which have not been previously refunded or disgorged, to the United States Treasury.

VII. The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance with this agreement. If the Commission believes that this agreement or any requirement thereof has been violated, it may institute a civil action for relief in the United States District Court for the District of Columbia.

VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.

IX. Respondents shall have no more than thirty (30) days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral,

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Conciliation Agreement  
MUR 6054  
1099 L.C. d/b/a Venice Nissan  
Donald M. Caldwell

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made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Thomasenia P. Duncan  
General Counsel

BY: Kathleen M. Guith  
Kathleen M. Guith  
Acting Associate General Counsel  
for Enforcement

8/27/10  
Date

FOR RESPONDENT 1099 L.C. D/B/A VENICE NISSAN:

Shelby S. Cutsinger  
Shelby S Cutsinger  
VP GM

8/10/10  
Date

FOR RESPONDENT DONALD M. CALDWELL:

Donald M. Caldwell  
Donald M. Caldwell

8/10/10  
Date

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BEFORE THE FEDERAL ELECTION COMMISSION DEC 20 AM 10:52

In the Matter of )

MUR 6054

OFFICE OF GENERAL  
COUNSEL

Gary J. Scarbrough )

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities. The Commission found reason to believe that Gary J. Scarbrough ("Scarbrough" or "Respondent") violated 2 U.S.C. § 441f.

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. At the time of the events in this matter, Scarbrough was the operating minority partner of Suncoast Ford, a car dealership located in Port Richey, Florida, that was organized as a Limited Liability Company and was treated by the Internal Revenue Service as a partnership. Scarbrough was responsible for the day-to-day operation of the dealership. Representative Vernon Buchanan ("Buchanan") controlled a majority ownership interest in Suncoast Ford

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1 through another limited liability company but was not involved in the day-to-day operation of the  
2 dealership.

3           2.       The Federal Election Campaign Act of 1971, as amended ("the Act"), provides  
4 that no person shall make a contribution in the name of another person or knowingly permit his  
5 or her name to be used to effect such a contribution. 2 U.S.C. § 441f. Section 441f prohibits  
6 providing money to others to effect contributions in their names without disclosing the source of  
7 the money to the recipient candidate or committee at the time the contribution is made, and it  
8 applies to individuals as well as incorporated or unincorporated entities. 11 C.F.R.  
9 § 110.4(b)(2); 2 U.S.C. § 431(11) (term "person" includes partnerships and corporations). This  
10 prohibition also applies to any person knowingly helping or assisting any person in making a  
11 contribution in the name of another, including "those who initiate or instigate or have some  
12 significant participation in a plan or scheme to make a contribution in the name of another[.]"  
13 11 C.F.R. § 110.4(b)(1)(iii); Explanation and Justification for 11 C.F.R. § 110.4(b)(1)(iii) at 54  
14 Fed. Reg. 34,105 (1989).

15           3.       During the 2007-2008 election cycle, a person could contribute no more than  
16 \$2,300 to a candidate and his or her authorized committee per election. See 2 U.S.C. § 441a(a).

17           4.       In March 2007, Scarbrough wrote a personal contribution check to Vern  
18 Buchanan for Congress ("VBFC") in the amount of \$4,600, as did Suncoast Ford controller  
19 Kenneth Lybarger ("Lybarger") and employees Harold H. Glover, III, ("Glover") and M. Osman  
20 Ally ("Ally"). VBFC disclosed that it received \$4,600 from each of the four individuals.

21           5.       Scarbrough directed Lybarger to issue reimbursement checks from Suncoast  
22 Ford's account to Scarbrough, Lybarger, Glover and Ally.

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1           6.       A routine review of Suncoast Ford's books by an auditor from the Buchanan  
2 Automotive Group that represented Buchanan's ownership interest in the dealership revealed the  
3 reimbursements.

4           7.       Scarbrough contends that he did not know that the reimbursements were illegal  
5 and that once he was informed that reimbursing contributions is prohibited by law, he took  
6 corrective action by requesting that VBFC refund the reimbursed contributions.

7           8.       On June 18, 2007, VBFC refunded all \$18,400 of the reimbursed Suncoast Ford  
8 employee contributions.

9           V.       Based on the facts set forth above in paragraphs IV.1-8, the Commission concluded that  
10 there was reason to believe that Scarbrough violated 2 U.S.C. § 441f by assisting Suncoast Ford  
11 with contributing to Vern Buchanan for Congress in the names of Scarbrough, Lybarger, Glover,  
12 and Osman. In order to resolve this matter through conciliation, Scarbrough will not contest the  
13 Commission's conclusion as set forth in this paragraph. Scarbrough will cease and desist from  
14 violating 2 U.S.C. § 441f.

15           VI.       Respondent will pay a civil penalty to the Federal Election Commission in the amount of  
16 Eight Thousand Five Hundred Dollars (\$8,500), pursuant to 2 U.S.C. § 437g(a)(5)(A).

17           VII.       The Commission, on request of anyone filing a complaint under 2 U.S.C. § 437g(a)(1)  
18 concerning the matters at issue herein or on its own motion, may review compliance with this  
19 agreement. If the Commission believes that this agreement or any requirement thereof has been  
20 violated, it may institute a civil action for relief in the United States District Court for the District of  
21 Columbia.

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VIII. This agreement shall become effective as of the date that all parties hereto have executed same and the Commission has approved the entire agreement.


IX. Respondent shall have no more than 30 days from the date this agreement becomes effective to comply with and implement the requirements contained in this agreement and to so notify the Commission.

X. This Conciliation Agreement constitutes the entire agreement between the parties on the matters raised herein, and no other statement, promise, or agreement, either written or oral, made by either party or by agents of either party, that is not contained in this written agreement shall be enforceable.

FOR THE COMMISSION:

Anthony Herman  
General Counsel

BY:

  
Kathleen M. Guith  
Acting Associate General Counsel  
for Enforcement

Date

12-20-11

FOR THE RESPONDENT:

  
Mark L. Ornstein  
Counsel to Gary J. Scarbrough

Date

12-15-11

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RECEIVED  
FEDERAL ELECTION  
COMMISSION

2011 DEC 20 AM 10:53

OFFICE OF GENERAL  
COUNSEL

**BEFORE THE FEDERAL ELECTION COMMISSION**

In the Matter of )

MUR 6054

10-2002 LLC f/k/a Suncoast Ford )

**CONCILIATION AGREEMENT**

This matter was initiated by the Federal Election Commission ("Commission") pursuant to information ascertained in the normal course of carrying out its supervisory responsibilities.

The Commission found reason to believe that 10-2002 LLC f/k/a Suncoast Ford ("Suncoast Ford" or "Respondent") violated 2 U.S.C. §§ 441f and 441a(a).

NOW, THEREFORE, the Commission and the Respondent, having participated in informal methods of conciliation, prior to a finding of probable cause to believe, do hereby agree as follows:

I. The Commission has jurisdiction over the Respondent and the subject matter of this proceeding, and this agreement has the effect of an agreement entered pursuant to 2 U.S.C. § 437g(a)(4)(A)(i).

II. Respondent has had a reasonable opportunity to demonstrate that no action should be taken in this matter.

III. Respondent enters voluntarily into this agreement with the Commission.

IV. The pertinent facts in this matter are as follows:

1. At the time of the events in this matter, Suncoast Ford was a car dealership located in Port Richey, Florida, that was organized as a Limited Liability Company and was treated by the Internal Revenue Service as a partnership. Representative Vernon Buchanan ("Buchanan") controlled a majority ownership interest in Suncoast Ford through another limited liability company but was not involved in the day-to-day operation of Suncoast Ford. In 2007,

1 Gary J. Scarbrough ("Scarbrough") was the operating minority partner of Suncoast Ford  
2 responsible for the day-to-day operation of the dealership.

3 2. The Federal Election Campaign Act of 1971, as amended ("the Act"), provides  
4 that no person shall make a contribution in the name of another person or knowingly permit his  
5 or her name to be used to effect such a contribution. 2 U.S.C. § 441f. Section 441f prohibits  
6 providing money to others to effect contributions in their names without disclosing the source of  
7 the money to the recipient candidate or committee at the time the contribution is made, and it  
8 applies to individuals as well as incorporated or unincorporated entities. 11 C.F.R.  
9 § 110.4(b)(2); 2 U.S.C. § 431(11) (term "person" includes partnerships and corporations).

10 3. During the 2007-2008 election cycle, a person could contribute no more than  
11 \$2,300 to a candidate and his or her authorized committee per election. See 2 U.S.C. § 441a(a).

12 4. In March 2007, Scarbrough wrote a personal contribution check to Vern  
13 Buchanan for Congress ("VBFC") in the amount of \$4,600, as did Suncoast Ford controller  
14 Kenneth Lybarger ("Lybarger") and employees Harold H. Glover, III, ("Glover") and M. Osman  
15 Ally ("Ally"). VBFC disclosed that it received \$4,600 from each of the four individuals.

16 5. Scarbrough directed Lybarger to issue reimbursement checks from Suncoast  
17 Ford's account to Scarbrough, Lybarger, Glover and Ally.

18 6. A routine review of Suncoast Ford's books by an auditor from the Buchanan  
19 Automotive Group that represented Buchanan's ownership interest in the dealership revealed the  
20 reimbursements.

21 7. Suncoast Ford's Operating Partner, Scarbrough contends that he did not know that  
22 the reimbursements were illegal and that once he was informed that reimbursing contributions is

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1 prohibited by law, he took corrective action by requesting that VBFC refund the reimbursed  
2 contributions.

3 8. On June 18, 2007, VBFC refunded all \$18,400 of the reimbursed Suncoast Ford  
4 employee contributions.

5 V. Based on the facts set forth above in paragraphs IV.1-8, the Commission concluded that  
6 there was reason to believe that Suncoast Ford violated 2 U.S.C. § 441f by contributing to Varn  
7 Buchanan for Congress in the names of Scarbrough, Lybarger, Glover, and Osman, and violated  
8 2 U.S.C. § 441a(a) by making a contribution to VBFC that exceeded the \$2,300 per election  
9 contribution limit. In order to resolve this matter through conciliation, Suncoast Ford will not  
10 contest the Commission's conclusion as set forth in this paragraph. Suncoast Ford will cease and  
11 desist from violating 2 U.S.C. §§ 441f and 441a(a).

12 VI. Respondent will pay a civil penalty to the Federal Election Commission in the amount  
13 of Seven Thousand Dollars (\$7,000), pursuant to 2 U.S.C. § 437g(a)(5)(A).

14 VII. The Commission, on request of anyone filing a complaint under 2 U.S.C.  
15 § 437g(a)(1) concerning the matters at issue herein or on its own motion, may review compliance  
16 with this agreement. If the Commission believes that this agreement or any requirement thereof has  
17 been violated, it may institute a civil action for relief in the United States District Court for the  
18 District of Columbia.

19 VIII. This agreement shall become effective as of the date that all parties hereto have  
20 executed same and the Commission has approved the entire agreement.

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1 IX. Respondent shall have no more than 30 days from the date this agreement  
2 becomes effective to comply with and implement the requirements contained in this agreement  
3 and to so notify the Commission.

4 X. This Conciliation Agreement constitutes the entire agreement between the parties  
5 on the matters raised herein, and no other statement, promise, or agreement, either written or  
6 oral, made by either party or by agents of either party, that is not contained in this written  
7 agreement shall be enforceable.

8 FOR THE COMMISSION:

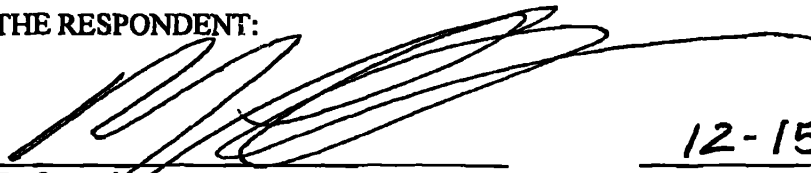
9 Anthony Herman  
10 General Counsel

11 BY:

12   
13 Kathleen M. Guith  
14 Acting Associate General Counsel  
for Enforcement

12-20-11  
Date

15 FOR THE RESPONDENT:

16   
17 Mark L. Ornstein  
18 Counsel to 10-2002 LLC f/k/a Suncoast Ford  
19

12-15-11  
Date

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